

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4827-02
Bill No.: SB 1191
Subject: Bonds: Tobacco Settlement
Type: Original
Date: March 12, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration - Division of Budget and Planning**, the **Office of the Governor**, the **Office of the Lieutenant Governor**, the **Office of the State Auditor**, and the **Office of the Secretary of State** stated that the proposal would not directly affect their agencies.

Oversight notes that in case of a budgetary emergency or if revenues are less than projected, this proposal would offer an additional option. However, there is no direct fiscal effect.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would allow the Board of Public Buildings to issue bonds or sell future revenues which would be paid with net tobacco recoveries whenever actual revenues are less than the revenue estimates upon which appropriations are based, or when the Governor makes a declaration of budgetary emergency. The proceeds from a bond issuance or sale of revenue could be used for any governmental purpose. The bond issuance or sale of future revenues would be limited to \$500 million.

The proposal sets maximum interest rates and lengths of maturities for Tobacco bonds and sets conditions under which bonds could be refunded.

Tobacco bonds would be issued pursuant to resolution adopted by an affirmative vote of two-thirds of the members of the board.

This act contains an emergency clause.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of Administration - Division of Budget and Planning
Governor
Lieutenant Governor
State Auditor
Secretary of State



Mickey Wilson, CPA
Acting Director
March 12, 2002